



Research Note

Economics of milk production in Shimoga district of Karnataka

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ABSTRACT : A study of cost of milk production in Shimoga district of Karnataka state was carried out during 2004. The total cost per local cow in intercalving period was Rs. 9556.97, total fixed cost and total variable cost accounted for 23.76 per cent and 76.22 per cent of total cost, respectively. A category wise analysis of farmers revealed that total cost increased with increase in farm size. The total cost per buffalo in intercalving period was Rs. 9475.83 and total fixed cost and total variable cost accounted for 24.35 per cent and 27.64 per cent, respectively. The total cost in intercalving period for crossbred cow was Rs. 11124.02, total fixed cost and total variable cost accounted for 21.70 per cent and 78.31 per cent of total cost, respectively. The cost of milk production was lower in crossbred cows followed by buffaloes and local cows.

KEY WORDS : Variable cost, Fixed cost, Intercalving period

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Studies on cost of milk production are helpful to the dairy farmers in taking rational economic decisions by selecting the size of herd and allocating their scarce resources. Therefore, in this paper, an attempt was made to work out the economics of milk production among local cows, crossbred cows and buffaloes in Shimoga district of Karnataka state.

Commensurate with the objectives of the study, Shimoga, Bhadravathi and Hosnagar Talukas of Shimoga district (Karnataka) were selected for the study. They have maximum number of milk producers. A three-stage random sampling design *i.e.* selection of Talukas, selection of villages and selection of milk producers. Nine villages were selected from 3 Talukas of the district. From each Taluka, a sample of 30 households were randomly selected. Finally 90 households were selected from the study area. The total households were post-stratified according to the land holding *viz.*, small, medium and large to study the various economic aspects of dairy farming in different socio-economic situations.

Those who have land upto 1.01-2 ha were considered small farmers, 2.01-4 ha medium farmers and above 4 ha large farmers. Sample households in each category, which were 38,

32 and 20 in numbers, respectively. The input data such as green fodder, paddy straw, concentrates, human labour (both family and hired) veterinary expenses and other miscellaneous expenses and inventory comprising milch animals, cattle shed and dairy utensils etc. and output data such as milk, dung and off springs were collected from selected households by survey method on well designed an pre-tested interview schedules by making personal visits collected data pertained to the agricultural year 2002-2003.

Concepts and term used :

The cost items were broadly classified into fixed costs and variable costs. Fixed costs included interest on fixed capital and depreciation on fixed assets. Interest on fixed capital was worked out at 10 per cent per annum on the assumption that cattle owners used their own funds. Depreciation on fixed assets was at 10 per cent at cattle shed. The same was calculated on dairy utensils at 10 per annum. However, the depreciation on milch animals was calculated by straight line method considering the productive life of animals as 8 years. Variable cost included field cost, labour cost veterinary expenses and